



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

April 27, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
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Second District

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Third District

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Fifth District

ENHANCED MONITORING OF LIVING WAGE CONTRACTS – STATUS REPORT

On November 9, 2004, in conjunction with approving a recommendation to terminate contracts with a custodial maintenance contractor, your Board instructed the Internal Services Department (ISD) to evaluate and improve the County's process for monitoring contracts for compliance with the Living Wage Ordinance (LWO).

On January 5, 2005, this office in conjunction with the Living Wage Implementation Team reported back to your Board with findings and recommendations that focused on augmenting the monitoring process to achieve contractors' compliance with the provisions of the LWO. The Team includes the Office of Affirmative Action Compliance (OAAC), Auditor-Controller (A-C), County Counsel, the Department of Public Works (DPW), and ISD. An action plan delineating the specific strategies was included in our January 2005 report, and we indicated that we would report back to your Board on our progress.

This report provides your Board with an update of actions taken in this effort. The Living Wage Implementation Team has reached consensus that enhancements to the County's Living Wage Program (LWP) were appropriate in the following areas:

- Standardizing the LWO monitoring forms and procedures
- Strengthening the contract language and solicitation requirements
- Training County contract monitors and managers

- LWO compliance review
- Specialty crews and less than full-time work

Standardization of LWO Monitoring Forms and Procedures

The Living Wage Implementation Team developed standardized departmental LWO monitoring forms and procedures. In addition, the Team has developed standardized employee interview and audit forms based on forms utilized by ISD and DPW. These standardized forms will be added to the required forms identified in the Living Wage Implementation Plan (i.e., LW Payroll Statement of Compliance, Acknowledgment and Statement of Compliance, and Staffing Plan). OAAC, in conjunction with the Living Wage Implementation Team, plans to issue a memorandum to all departments with the new standardized forms and auditing procedures within the next 30 days.

Strengthening of Contract Language and Change in Solicitation Requirements

The Living Wage Implementation Team developed contract language that expands the scope of employee time records that contractors are required to maintain and make available for review by the County. The language also clarifies that when contractors' employees are traveling between County facilities, even if two different County contracts are involved, the employees must be paid the applicable living wage rate for such "travel time." Such revised language will be added to the standard LWP contract provisions to be included in all future contracts subject to the LWP.

The Living Wage Implementation Team is also revising the current LWO solicitation language to conform to the proposed contract language. The solicitation language will require contractors to submit their written labor/payroll record keeping procedures and describe their payroll controls. The revised solicitation and contract language will be issued to departments within the next 30 days.

Training

The Living Wage Implementation Team is developing an enhanced training class for County contract managers. The training class subject matter will include the LWO standardized forms and monitoring procedures. The training program was discussed during the Countywide Contracting Network Meeting held on April 18, 2005. Subsequent training sessions for departmental monitoring staff are scheduled for July and August 2005.

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LWO Compliance Review

OAAC is committed to increasing the frequency of LWO compliance reviews of departments including a review of departmental payroll record audits. Therefore, OAAC will initiate a compliance review of all applicable departments beginning this month. A revised monitoring tool was developed by the OAAC and will be utilized in the compliance review. The monitoring tool incorporates a new section addressing annual departmental audit review. Each department will receive a report after their department's compliance review with findings and recommendations. OAAC will also distribute the Living Wage Annual Report, containing a comprehensive summary of departmental compliance with the enhanced LWP monitoring procedures.

Specialty Crews and Less than Full-time Work

Specialty crews are comprised of workers that are not assigned to a facility on a regular basis rather they work on an "as needed" basis at both County and non-County buildings. In the past, contractors have denied requests from County monitors for information on these workers because some of their work is considered non-County work. In response to the challenges the County faces when trying to determine compliance with payroll practices without examining all the hours the employee worked for the contractor, the Team is drafting contract language that addresses the County's need to have access to employee records during non-County work hours. In addition, A-C is drafting monitoring procedures that will address compliance with the LWO by contractors who use less than full-time staff.

If you have any questions, please let me know, or your staff can contact Vincent Amerson of this office at (213) 974-1168 or at vamerson@cao.co.la.ca.us.

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VLA:os

Attachments

c: All Department Heads